dated 9.3.1992, foreign exchange equivalent to Rs. 2172.62 crores was collected under this Scheme.

**Stick State Fnance orporaiion**

474. DR NAUNIHAL SINGH: Will the Minister of FINANCE be pleased to state:

(a) how many State Finance Cor porations (SFCs) are considered sick by Government, the details thereof;

(b) what are the valid reasons for their sickness; and

(c) whether Government have taken any steps to remove the sickness of these SFCs and the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) There is no classification of SFCs between sick and healthy corporation. However, there are some corporations which are showing signs of weakness. Based on the health code categorisation of SFCs and their capital adequacy ratio for the year ended March 31, 1992, 8 SFCs have been classified by the Industrial Development Bank of India (IDBI) into Category 'C wher$_e$ the capital adequacy was less than 4 percent.

(b) The financial health of some of of the SFCs has deteriorated over the years due to various factors including excessive dependence on external \mds, rising trend of overdues, dwin dling margine on account of rising cost of funds with lower recoveries, erosion of capital adequacy deficien cies in project appralisal and lack of Initiative in taking up more profitable new areas of business.

(c) A meeting of the State Gov ernments and Chief Executives of SFCs and SIDCs was convened" on August 18, 1993 under the Chairman ship of the Finance Secretary. The Government has also set up a Committee under the chairmanship of Chairman & Managing Director of IDBI i undertake a review of the SFCs Act, 1951.

**Defaulters of Banks Loans**

475. DR. NAUNIHAL SINGH; Will the Minister of FINANCE be pleased to state:

(a) what are the names of ten top loan defaulters of each bank giving the amount that is outstanding agafaist each one of them;

(b) what efforts Government have made to recover the loan;

(c) what are the difficulties in res recovering the loans from the defaulters; and

(d) whether Government contemplate to issue any guide-lines to the financial institutions to ward off such a defaulting situation?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) to (d) In accordance with the statutes governing the public sector banks as also in terms of the practices and usages customary amongst bankers, the banks do not divulge information relating to or to the affairs of their constituents except in circumstances in which it is, in accordance with the law or practSce and usage customary among bankers, necessary or appropriate for the banks to divulge such information. However, the total amount of overdues of public sector banks as at the end of September 1992 (latest available) was Rs. 21022 crores. Reserve Bank of India has issued various guidelines to the banks to minimise the amount of overdues and also to improve their recovery performance in respect of their advances to various sectors. Some of the important guidelines are as follow;

*1.* Banks have been impressed upon to institute a viable recovery system with a view to help recycling the scarce resources of the banks to the needy and productive sectors of the economy on the one band and to improve the profitability and viability of the lending banks, on the other.

2. Introduction of comprehensive and uniform grading system to indicate the health of individual advances for the purpose of their effective monitoring and follow up.

3. *Ho* keep a watch on the re covery of top sticky accounts.

4. Taking corrective action where advances are found to have become sticky.

5. Recently, the Recovery of Debts Due to Banks and Financial Institutions Act, 1993 has been enacted for expeditious adjudication and recovery of debts due to banks and for matter collected therewith or incidental thereto.

In this connection it may be stated that banks grant advances for the viablevantures to various sectors of economy after assessing their need base credit requirements. However, there is likelihood that some accounts unit may become sticky/sick due to factors often beyond the control of the banks. Weaknesses in internal control inadequate credit appraisal and post disbursement supervision are also causes for some advances becoming sticky.

**Foreign investment and technology Collaboration**

476. SHRI H. HANUMANTHAPPA: Will the Minister of FINANCE : pleased to state:

(a) what is the total number of proposals cleared by R.B.I, for foreign (investment and technology collaboration during the last two years; and

(b) what are the results achieved?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED). (a) The total number of proposals cleared by R.B.I, after the announcement of the New Industrial Policy, is as follows;

| Year | No. of proposals for investment | No. of proposals for technology transfer |
|---|---|---|
| 1991 (Sept.-Dec.) | 40 | 183 |
| 1992 | 249 | 397 |

(b) The results are encouraging as there has been significant increase in the approvals accorded for foreign investment.

477. *{Transferred to* 13th December, 1993)

**Setting up of non-Government Banks**

478. SHRI JAGDISH PRASAD MATHUR:

SHRIGURUDAS DAS GUPTA:

SHRI CHATURANAN MISHRA:

Will the Minister of FINANCE be pleased to state;

(a) whether any decision has been taken to permit setting up of non-Government banks;

(b) whether foreign nationals and institutions are also likely to be permitted to operate; if so, under what conditions; and

(c) what are the names of Indian and foreign entrepreneurs who have made a bid to establish banks and the areas they intend to operate in?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND